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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10 STEPHEN BUSHANSKY, derivatively on
11 behalf of PINTEREST, INC.,

12 Plaintiff,

13 v.

14 BENJAMIN SILBERMANN, JEFFREY
JORDAN, LESLIE J. KILGORE,
15 JEREMY S. LEVINE, GOKUL
RAJARAM, FREDERIC G. REYNOLDS,
16 EVAN SHARP, and MICHELLE
WILSON,

17 Defendants,

18 and

19 PINTEREST, INC., a Delaware
20 Corporation

21 Nominal Defendant.

22 Case No.:

23 **VERIFIED STOCKHOLDER
DERIVATIVE COMPLAINT FOR
VIOLATIONS OF FEDERAL
SECURITIES LAWS, BREACH OF
FIDUCIARY DUTIES, AND WASTE
OF CORPORATE ASSETS**

24 **JURY TRIAL DEMANDED**

1 Plaintiff Stephen Bushansky, derivatively on behalf of Pinterest, Inc. (“Pinterest” or the
2 “Company”), brings the following Verified Stockholder Derivative Complaint against members of
3 the Board of Directors of Pinterest (the “Board”) for breaches of fiduciary duties owed to the
4 Company and its shareholders and for issuing a materially false and misleading Proxy Statement.
5 Except for allegations specifically pertaining to Plaintiff’s own acts, the allegations in the Complaint
6 are based upon information and belief, which include but are not limited to: documents produced to
7 Plaintiff subject to a Confidentiality Agreement pursuant to Delaware General Corporation Law 220
8 (“Section 220”), the Company’s public filings with the United States Securities and Exchange
9 Commission (the “SEC”), public court filings, media and financial analyst reports, and other public
10 sources.

11 **I. NATURE OF THE ACTION**

12 1. This case arises from a sustained failure of the members of Pinterest’s Board to
13 implement and maintain an effective system of internal controls in violation of their fiduciary duties
14 and their filing of a materially false and misleading Proxy Statement. The members of Pinterest’s
15 Board (the “Individual Defendants”) have permitted and condoned a culture of racial and gender
16 discrimination that led to a hostile work environment at Pinterest and lawsuits against the Company.

17 2. Ironically, even though Pinterest markets itself to women as a source of lifestyle
18 inspiration, the company leadership team is male dominated, and gender-biased attitudes are
19 prevalent. Claims of gender discrimination recently surfaced when the Company’s former Chief
20 Operating Officer (“COO”), Francoise Brougher, filed suit against Pinterest. Ms. Brougher claims
21 that despite notable successes she achieved in her executive position, she was systematically excluded
22 from important decision-making processes and paid substantially less than male executives at the
23 Company. When she brought these facts to the attention of Benjamin Silbermann, the Company’s
24 Chief Executive Officer (“CEO”), the situation was not remediated, but allowed to persist and fester.
25 Ultimately, rather than fix the problems with gender unfairness at the Company, Mr. Silbermann
26 terminated her employment, costing her tens of millions of dollars.

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1 3. Further, in Pinterest's filing with the Equal Employment Opportunity Commission
 2 ("EEOC") for 2018, the Company reported that 64 of its 1742 employees, less than 4%, were black.
 3 In the leadership ranks of the Company, that number dropped to a mere 1%. Employees have reported
 4 that they have been the victims of a system of racial discrimination at the Company.

5 4. Indeed, *USA Today* reported that a founder of one of the venture capital firms that
 6 began investing in the Company nearly ten years ago and which holds about 10% of the Company's
 7 common stock made racially insensitive remarks at a Company presentation. Pinterest employees
 8 reacted with shock and horror: "I'm extraordinarily uncomfortable with using slavery and prison
 9 culture as 'good examples' for drawing the lessons we need to draw," one employee wrote.

10 5. Subsequently, two black employees went public with claims of systematic
 11 discrimination against them at Pinterest, alleging they were subjected to "racism, gaslighting and
 12 disrespect" and describing their tenure at Pinterest as "a period of glaringly unfair pay, intense
 13 discrimination, and terrifying retaliation." After those claims were made public, Mr. Silbermann
 14 circulated an email to Pinterest employees admitting: "I need to do better. My leaders need to do
 15 better. And Pinterest needs to be better."

16 6. In the wake of these revelations, Pinterest employees in August 2020 staged a walk-
 17 out and circulated a petition demanding that leadership prevent discrimination and harassment among
 18 workers and that women and minorities be given meaningful roles at the Company.

19 7. Pinterest's Board members and top officers set a tone at the top that devalued women
 20 and minorities. The toxic work environment has not only led to lawsuits, but to departures of talent
 21 and irreparable damage to the Company's reputation.

22 8. The Company's Board breached its fiduciary duties to monitor reports of and to take
 23 meaningful action against racial and sex discrimination and pay disparity and to put in place controls
 24 that would ensure greater transparency in Pinterest's work environment. Their breaches ensured that
 25 the toxic culture created by the Individual Defendants persisted and festered, resulting in material
 26 damage to the Company.

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1 9. Plaintiff seeks to hold the Individual Defendants accountable, to recover the
 2 Company's damages from those responsible and to cause the Company to implement and maintain
 3 an effective system of internal controls designed to end the hostile work environment at Pinterest.

4 10. A majority of the Pinterest Board is neither independent nor disinterested in the
 5 matters at issue. As such, Plaintiff has not made a demand on the Company's Board of Directors
 6 since to do so would be a wasteful and futile act.

7 **II. PARTIES**

8 11. Plaintiff Stephen Bushansky acquired Pinterest stock in the Initial Public Offering for
 9 Pinterest shares (the "IPO") and has continuously held Pinterest stock since the IPO.

10 12. Nominal Defendant Pinterest is an image sharing and social media service corporation
 11 designed to enable saving and discovery of information on the internet using images and, on a smaller
 12 scale, animated GIFs and videos, in the form of pinboards. Pinterest's mission is to "bring everyone
 13 the inspiration to create a life they love. Pinterest is where 335 million people around the world go
 14 to get inspiration for their lives." Pinterest is a corporation duly organized and existing under the
 15 laws of the State of Delaware with its principal offices located in San Francisco, California. Pinterest
 16 stock trades on the New York Stock Exchange ("NYSE") under the ticker symbol "PINS."

17 13. Defendant Benjamin Silbermann ("Silbermann") has served as Pinterest's Chairman,
 18 President & CEO since 2012 and has been a member of the Board since 2008. As of 2019, Defendant
 19 Silbermann owns over 27% of Pinterest's Class B shares and has over 24% of the Company's voting
 20 power. In 2019, Silbermann's compensation totaled \$46,222,113.

21 14. Defendant Jeffrey Jordan ("Jordan") has served on the Pinterest Board since October
 22 2011. Defendant Jordan is a member of the Nominating and Governance Committee.

23 15. Defendant Leslie Kilgore ("Kilgore") has served on the Pinterest Board since March
 24 2019. Defendant Kilgore is a member of the Compensation Committee and Audit Committee.

25 16. Defendant Jeremy Levine ("Levine") has served on the Pinterest Board since April
 26 2011. Defendant Levine is the Chair of the Nominating and Governance Committee.

1 17. Defendant Gokul Rajaram (“Rajaram”) has served on the Pinterest Board since
 2 February 2020. Defendant Rajaram is a member of the Nominating and Governance Committee.

3 18. Defendant Fredric Reynolds (“Reynolds”) has served on the Pinterest Board since
 4 December 2017. Defendant Reynolds is a member of the Audit Committee.

5 19. Defendant Evan Sharp (“Sharp”) has served as Pinterest’s Chief Design & Creative
 6 Officer since 2011 and has been a member of the Board since March 2019. As of 2019, Defendant
 7 Sharp owns over 5% of Pinterest’s Class B shares and has over 4% of the Company’s voting power.
 8 In 2019, Sharp’s compensation totaled \$46,075,013.

9 20. Defendant Michelle Wilson (“Wilson”) is the Lead Independent Director and has
 10 served on the Pinterest Board since May 2016. Defendant Wilson is the Chair of the Compensation
 11 Committee and a member of the Audit Committee.

12 21. The Defendants referenced in ¶¶ 13-20 are collectively referred to herein as the
 13 “Individual Defendants.”

14 **III. RESPONSIBILITIES AND DUTIES OF THE INDIVIDUAL DEFENDANTS**

15 22. Due to their positions as directors of Pinterest, and because of their ability to control
 16 the business and corporate affairs of Pinterest, the Individual Defendants owed Pinterest and its
 17 stockholders, among other duties, the fiduciary obligations of loyalty, due care and good faith. The
 18 Individual Defendants were, and are, required to act in furtherance of the best interests of Pinterest
 19 and its stockholders, which, at a minimum, requires that they use their utmost abilities to manage
 20 Pinterest in an honest, lawful and ethical manner. The Individual Defendants were, and are, required
 21 to provide good faith oversight of the Company’s operations, particularly with respect to the most
 22 significant risks the Company faces, as well as an affirmative obligation to ensure, at the very least,
 23 that the Company has systems designed to maintain compliance with all relevant laws, rules and
 24 regulations. A fiduciary of a corporation is not loyally and in good faith discharging his or her
 25 fiduciary duties if, knowing that the company is noncompliant with mandatory legal obligations
 26 governing the company’s business, he or she does not take affirmative action to correct the deficiency
 27 and allows the company to continue to break the law.

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1 23. Corporations are managed by or under the direction of the board. A director's
2 meaningful and good faith oversight is particularly important when, as here, the board knows that
3 management has financial and personal incentives to: (a) not comply with the law; and (b) to treat
4 such non-compliance as a business risk that, if realized, will be compensated by the company.
5 Directors acting in good faith to ensure compliance with the law may, for example, impose
6 performance standards on executives for measuring their efforts in ensuring compliance with the
7 company's mandatory legal obligations, hold executives accountable for continued non-compliance
8 and continued failure to implement an effective compliance system, and seek outside review of the
9 company's compliance systems.

10 24. When management has demonstrated an inability and/or unwillingness to bring a
11 corporation into compliance with mandatory legal and ethical obligations governing the company's
12 business, directors have an affirmative obligation to protect the company and its stockholders.
13 Directors who are informed that management is nevertheless incapable and/or unwilling to implement
14 compliant business practices that do not run afoul of laws, rules and regulations, are failing to act in
15 the face of their known duty to stop illegal conduct and protect the company and its stockholders.

16 25. Because of their positions of control and authority as directors of Pinterest, the
17 Individual Defendants were able to, and did, directly and/or indirectly, exercise control over the
18 wrongful acts complained of herein. Through their directorial positions within Pinterest, each
19 Individual Defendant had access to information regarding the improper business practices described
20 herein.

21 26. The conduct of the Individual Defendants complained of herein involves a culpable
22 violation of their fiduciary duties, the absence of loyalty and good faith on their part, and a knowing,
23 reckless and grossly negligent disregard for their duties to the Company and its shareholders. The
24 Individual Defendants were aware, or should have been aware, that those violations, the absence of
25 good faith, and the reckless disregard of duties posed a risk of serious injury to the Company.

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1 27. Aside from their legally imposed duties as officers and/or directors of a publicly traded
2 company, the Individual Defendants were also subject to particularized duties pursuant to specific
3 policies in effect at Pinterest.

4 **A. Pinterest's Code Of Business Conduct & Ethics**

5 28. The Individual Defendants are required to comply with Pinterest's Code of Business
6 Conduct & Ethics (the "Code of Conduct"), which expressly mandates that they "respect all
7 applicable law, including local laws and regulations that apply to [the] business." The Individual
8 Defendants were and are required, pursuant to the Code of Conduct, to "[c]omply with all applicable
9 law and follow our Pinterest policies and procedures."

10 29. The Company requires its employees, directors, and officers to use "good judgment"
11 when deciding whether a course of action violates its Code of Conduct. "Complying with the law is
12 important, but we go further: we also act ethically and responsibly, use good judgment, protect the
13 company, and treat our colleagues and members of the Pinterest community with respect." However,
14 this judgment was ignored or disregarded when it came to violations of equal pay, and other
15 discrimination allegations.

16 30. The Code of Conduct has a clear written policy prohibiting sexual harassment and
17 racial discrimination: "[w]e prohibit unlawful discrimination based on race, color, ethnicity, national
18 origin, religion, sex (including pregnancy, childbirth, or related medical conditions), sexual
19 orientation, gender, gender identity, gender expression, age, marital status, status as a protected
20 veteran, physical or mental disability, medical condition, genetic information or characteristics (or
21 those of a family member), or any other consideration made unlawful by applicable federal, state, or
22 local laws."

23 31. The Harassment and Discrimination Policy states:

24 Pinterest is committed to providing a work environment that is free of discrimination,
25 harassment, mistreatment and retaliation. Comply with our Harassment and
Discrimination Policy.

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1 32. The Individual Defendants could not waive their duties to exercise reasonable and
2 prudent supervision over the management, policies, practices, and controls of the affairs of the
3 Company without proper approval:

4 Any waiver to this Code must be approved in writing by the General Counsel or his/her
5 delegate; any waiver for a Pinterest officer or board member must be approved by the
6 full Pinterest, Inc. Board of Directors and promptly disclosed in accordance with legal
7 requirements.

8 **B. Pinterest's Corporate Governance Guidelines**

9 33. Pinterest's Corporate Governance Guidelines (the "Guidelines") outline the
10 responsibilities and functions of the Board. The Guidelines provide, among other things, the role of
11 the Board:

12 Overseeing and reviewing the Company's strategic direction and objectives, taking
13 into account (among other considerations) the Company's risk profile and exposures
14 and its relationships with key stakeholders;

15 Selecting, evaluating and compensating the Chief Executive Officer ("CEO") and
16 other key executives, and planning for CEO and key executive succession;

17 Overseeing the Company's compliance with applicable legal and regulatory
18 requirements and the processes that are in place to safeguard the Company's assets
19 and manage material risks;

20 Monitoring the Company's accounting and financial reporting practices and reviewing
21 financial and other controls; and evaluating the Board's composition, performance and
22 effectiveness in carrying out such responsibilities.

23 34. The Guidelines also mandate that the directors comply with the Company's Code of
24 Conduct:

25 The Board expects all directors to act ethically at all times and to adhere to the
26 Company's Code of Business Conduct & Ethics and other applicable policies. Any
27 request by a director or executive officer for a waiver under the Code of Business
28 Conduct & Ethics must be sent to and approved by the full Board, and any approvals
must be disclosed to stockholders, including the reasons for such approval, in
accordance with the procedures set forth in the Code of Business Conduct & Ethics.

29 **C. Pinterest's Compensation Committee Charter**

30 35. Pinterest's Compensation Committee Guidelines outline the responsibilities of the
31 Compensation Committee to oversee the compensation of the Company's directors and employees
32 and related matters, including matters relating to the attraction, development and retention of
33 employees. Additionally, the Compensation Committee members had the responsibility to adhere to
34 the following, among other, rules and guidelines:

1 Executive Officer Compensation. The Committee will evaluate the performance of
2 the executive officers and determine the compensation of the executive officers of
3 Pinterest based on such evaluations.
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6 Incentive Compensation. In determining incentive compensation for the CEO and
7 other executive officers, the Committee will consider, among other factors it deems
8 appropriate from time to time, Pinterest's performance during such periods as the
9 Committee deems appropriate and the awards given in prior years. The Committee
10 will make recommendations to the Board for the establishment and terms of incentive-
11 compensation and equity-based plans and will administer such plans, including
12 determining awards for directors or executive officers under any such plan. The
13 Committee may establish policies and delegate authority in respect of equity-based
14 compensation grants made to employees other than executive officers, as it deems
15 appropriate in accordance with applicable law.
16

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18 Severance and Post-Service Arrangements. The Committee will evaluate the post-
19 service (including severance) arrangements and benefits of the CEO and other
20 executive officers and their reasonableness in light of practices at comparable
21 companies and any benefits received by Pinterest in connection with such
22 arrangements.
23

24 * * *

25 Say-on-Pay Vote. When performing its responsibilities and exercising its authorities
26 under this Charter, the Committee will consider the most recent shareholder advisory
27 vote on executive compensation required by Section 14A of the Exchange Act (the
28 "Say-on-Pay Vote"), review and recommend to the Board the cadence of conducting
Say on Pay Votes, and review and approve proposals regarding the Say-on-Pay Vote
to be included in Pinterest's proxy statement.
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30 * * *

31 Stock Ownership Guidelines. The Committee will establish and review annually any
32 stock ownership guidelines applicable to directors and executive officers of Pinterest
33 and will recommend to the Board revisions to any such guidelines as appropriate.
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35 Compensation Disclosures; Committee Report. The Committee will review and
36 discuss with management the Compensation Discussion and Analysis ("CD&A")
37 disclosure and related tabular presentations regarding named executive officer
38 compensation and, based on this review and discussion, recommend to the Board
39 whether to include the CD&A disclosure and related tabular presentations in
40 Pinterest's annual public filings. The Committee will furnish its report on the
41 Committee's discussions and recommendations for inclusion in Pinterest's annual
42 public filings as required by applicable law.
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45 Leadership Development and Succession Planning. The Committee will oversee
46 short-term and long-term management succession planning and leadership assessment
47 and development. The Committee will provide regular reports to the Board.
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49 **D. Pinterest's Audit Committee Charter**
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36. While the entire Board retains ultimate responsibility to monitor and oversee the Company's compliance with legal and regulatory requirements, the Audit Committee has certain specific responsibilities. The Audit Committee Charter sets for the purpose of the Audit Committee:

Oversee Pinterest's accounting and financial reporting processes, including Pinterest's disclosure controls and procedures, system of internal controls, internal audit function and audits of Pinterest's consolidated financial statements;

Oversee Pinterest's relationship with its independent auditors, including appointing or changing Pinterest's auditors and ensuring their independence, qualification and performance;

Provide oversight regarding significant financial matters, including Pinterest's tax planning, treasury policies, financial risk exposures, dividends and share issuances and repurchases; and Oversee Pinterest's compliance with applicable legal and regulatory requirements and Pinterest's enterprise risk management program.

37. The Audit Committee Charter, in pertinent part, identifies the following responsibilities for Audit Committee members:

Responsibilities

The Audit Committee's main responsibility is to oversee Pinterest's financial reporting process, including Pinterest's disclosure controls and procedures and system of internal controls. The Audit Committee believes that Pinterest's policies and procedures should remain flexible in order to best react to changing conditions and circumstances. This list is intended as a guide, with the understanding that the Audit Committee can supplement it as appropriate, consistent with the requirements of applicable rules and regulations.

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Internal Controls; Oversight. The Audit Committee will discuss with management and the independent auditors, and provide oversight over, the design, implementation, adequacy and effectiveness of Pinterest's internal controls and material changes in such controls. The Audit Committee will review any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in Pinterest's internal control over financial reporting, and any required disclosures regarding Pinterest's internal controls.

* * *

Ability to Investigate; Retention of Advisors. Internal Controls; Oversight. The Audit Committee will discuss with management and the independent auditors, and provide oversight over, the design, implementation, adequacy and effectiveness of Pinterest's internal controls and material changes in such controls. The Audit Committee will review any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in Pinterest's internal control over financial reporting, and any required disclosures regarding Pinterest's internal controls. The Audit Committee has the power to investigate any matter

1 brought to its attention, with full access to all Pinterest books, records, facilities and
2 employees. The Audit Committee has the sole authority to select, retain, oversee and
3 terminate consultants, legal counsel or other advisors (each, a "Consultant") to advise
4 the Audit Committee, at the expense of Pinterest, and to approve the terms of any such
engagement and the fees of any such Consultants. In selecting a Consultant, the Audit
Committee will take into account factors it considers appropriate or as may be required
by applicable law or listing standards.

* * *

6 Legal, Regulatory and Compliance. The Audit Committee will be responsible for
7 overseeing legal and regulatory matters that have a material impact on Pinterest's
8 financial statements and reviewing and approving the adequacy and effectiveness of
9 Pinterest's compliance policies and procedures, including the Code of Conduct &
10 Ethics. The Audit Committee shall have access to management, the General Counsel,
11 internal and independent auditors in connection with such review. The General
Counsel has express authority to communicate at any time with the Chair of the Audit
Committee about compliance matters. Based on the Audit Committee Charter, the
Individual Defendants serving on the Audit Committee knew, at all relevant times,
that they had a heightened duty to ensure, monitor, and oversee the Company's
compliance with laws, rules and regulations, including through cooperation with
regulators and by responding in good faith to potential legal violations.

E. Pinterest's Nominating And Corporate Governance Committee Charter

13 38. The Nominating and Corporate Governance Committee (the "Committee") charter
14 sets forth the purpose of the Committee:

15 Assist the Board of Directors (the “Board”) by identifying and evaluating individuals
16 qualified to become Board members, consistent with criteria approved by the Board;

17 Assist the Board of Directors (the “Board”) by identifying and evaluating individuals qualified to become Board members, consistent with criteria approved by the Board;

20 Develop, update as necessary and recommend to the Board corporate governance guidelines applicable to Pinterest and oversee related corporate governance matters;

Lead the review of the performance of the Board and each of its standing committees;

In conjunction with the Compensation Committee, oversee the evaluation of management:

24 and recommend to the Board the directors who will serve on each committee of the Board.

26 39. The Nominating and Corporate Governance Committee Charter is further charged
27 with the following responsibilities:

1 Board Evaluations. The Committee will oversee the performance and annual self-
2 evaluation process for the Board and each standing Committee, including conducting
3 surveys of director observations, suggestions and preferences regarding how
4 effectively the Board operates. The Committee will evaluate the participation of
5 members of the Board in continuing education activities in accordance with any
applicable listing rules. The Committee Chair will report the Committee's conclusions
to the Board and may make recommendations to the Chairman of the Board regarding
changes that the Committee deems appropriate. The Committee will evaluate whether
a director who notifies the Board of a change in job responsibilities continues to satisfy
the Board's membership criteria and recommend action to be taken, if any, with
respect to the director.

* * *

8 Corporate Governance Guidelines. The Committee will establish and recommend to
9 the Board corporate governance guidelines (“Corporate Governance Guidelines”)
10 addressing, among other things, the size, composition and responsibilities of the Board
11 and its Committees, including its oversight of management, risks and exposures
12 associated with director and management succession planning, corporate governance,
and overall board effectiveness. The Committee shall meet in executive session with
key management personnel and representatives of outside advisors as required. At
least annually, the Committee will review the Corporate Governance Guidelines and
make recommendations to the Board with respect to changes that the Committee
deems appropriate.

* * *

14 Ability to Investigate; Retention of Advisors. The Committee has the power to
15 investigate any matter brought to its attention, with full access to all Pinterest books,
16 records, facilities and employees. The Committee has the authority to select, retain,
17 oversee and terminate consultants, legal counsel or other advisors, including director
18 search firms (each, a “Consultant”), to advise the Committee, at the expense of
Pinterest, and to approve the terms of any such engagement and the fees of any such
Consultants. In selecting a Consultant, the Committee will take into account factors
that are required by applicable law or listing standards and such other factors that it
considers appropriate.

IV. JURISDICTION AND VENUE

40. The Court has jurisdiction over the causes of action asserted under Section 14(a) of
41 the Securities Exchange Act of 1934 (the “Exchange Act”), and Rule 14a-9 promulgated thereunder
42 by the SEC, pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act. Supplemental
43 Jurisdiction over the remaining claims exists pursuant to 28 U.S.C. § 1367. This action is not a
44 collusive action designed to confer jurisdiction on a court of the United States that it would not
45 otherwise have.

26 41. This Court has jurisdiction over each Defendant named herein because each Defendant
27 is either a corporation that conducts business in and maintains operations in this District, is an

1 individual who has sufficient minimum contacts with this District to render the exercise of jurisdiction
 2 by the District courts permissible under traditional notions of fair play and substantial justice.

3 42. This action is not a collusive one to confer jurisdiction on a court of the United States
 4 which it would not otherwise have.

5 43. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1401 because a
 6 substantial portion of the transactions and wrongs complained of herein occurred in this District, and
 7 the Defendants have received substantial compensation in this District by engaging in numerous
 8 activities that had an effect in this District.

9 **V. SUBSTANTIVE ALLEGATIONS**

10 **A. Background of Pinterest**

11 44. As Yale classmates, Paul Sciarra and Silbermann cofounded a startup called Cold
 12 Brew Labs in 2008. Its first product was Tote, a shopping app for the iPhone. The app had a feature
 13 that Sciarra says was an afterthought; it let people save items for later, like folding down pages in a
 14 paper catalog. Ultimately, this was the feature users took to, and the startup became Pinterest. After
 15 Sharp joined, in March 2010, the trio launched the first desktop version of Pinterest, which revolved
 16 around saving and sharing images through virtual collections. Silbermann, Sharp and Sciarra are
 17 referred to collectively herein, and in Pinterest's filings with the SEC, as the "Co-Founders."

18 45. In 2011, Pinterest achieved a \$200 million valuation after venture capital firms
 19 Bessemer Venture Partners ("Bessemer") and Andreessen Horowitz provided substantial financing
 20 to the Company. On October 7, 2011, Business Insider reported Defendant Jordan as stating that
 21 Andreessen Horowitz invested \$27 million in Pinterest.

22 46. Sciarra, however, didn't stay at Pinterest for long. While regulatory documents from
 23 2010 list him as Pinterest's President and CEO, Silbermann, a former management consultant,
 24 reportedly started taking on those duties in early 2012. Soon afterwards, Sciarra announced he was
 25 departing Pinterest. "After lots of reflection and plenty of discussion with Ben and others, I've
 26 decided that now is a good time for me to step down formally from day-to-day involvement," Sciarra
 27
 28

1 said in an April 2012 blog post. “Ben was the guy to take the company into its next phase, and he’s
 2 doing an excellent job,” Sciarra told *Forbes* in 2014.

3 47. Sciarra became an entrepreneur in residence at Silicon Valley venture capital firm
 4 Andreessen Horowitz, which had led the \$27 million investment round in Pinterest in late 2011.

5 **B. Pinterest is Controlled by Holders of its Class B Common Stock, including Defendants
 6 Silbermann and Sharp**

7 48. On April 18, 2019, Pinterest held an initial public offering of its shares (the “IPO”).
 8 According to Amendment No. 2 to the S-1 Registration Statement for the IPO (the “S-1”), following
 9 the IPO the Company would have a dual stock structure with material differences between the Class
 A and Class B common stock:

10 The rights of the holders of Class A common stock and Class B common stock will be
 11 identical, except with respect to voting, conversion and transfer rights. Each share of
 12 Class A common stock will be entitled to one vote. Each share of Class B common
 13 stock will be entitled to 20 votes and will be convertible at any time into one share of
 14 Class A common stock. All shares of our common stock outstanding immediately
 prior to this offering, including all shares held by our executive officers and directors,
 will be reclassified into shares of our Class B common stock immediately prior to the
 completion of this offering.

15 49. The S-1 advised that holders of Class B common stock would hold 92% of the
 16 Company’s voting power “and will have the ability to control the outcome of matters submitted to
 17 our stockholders for approval, including the election of our directors and the approval of any change
 18 in control transaction.”

19 50. In the S-1, it was disclosed that Silbermann, Sciarra, and Sharp would receive 11.4%,
 20 9.3%, and 2.1% of the Class B common stock, respectively. Bessemer would receive 13%, making
 21 it the Company’s largest stockholder, and Andreessen Horowitz would receive 9.6% of the Class B
 22 common stock.

23 51. One of the risks highlighted in the S-1 is: “The dual class structure of our common
 24 stock will have the effect of concentrating voting control with those stockholders who held our capital
 25 stock prior to the completion of this offering, including our co-founders, executive officers,
 26 employees and directors, their affiliates, and all of our other existing stockholders (including those
 27

1 unaffiliated with any of our co-founders, executive officers, employees or directors). This will limit
 2 or preclude your ability to influence corporate matters.”

3 52. Elaborating upon the influence that the Co-Founders, Bessemer and Andreessen
 4 Horowitz will have, the S-1 states:

5 Our Class B common stock will have 20 votes per share, and our Class A common
 6 stock, which is the stock we are offering in this offering, will have one vote per share.
 7 Because of the 20-to-1 voting ratio between our Class B and Class A common stock,
 8 the holders of our outstanding Class B common stock will initially hold approximately
 9 99.2% of the voting power of our outstanding capital stock following this offering,
 10 with 67.9% of the voting power of our outstanding capital stock following this offering
 11 held by our co-founders, executive officers, directors, and holders of more than 5% of
 12 our outstanding capital stock and their affiliates. Because the holders of our Class B
 13 common stock will hold in the aggregate significantly more than a majority of the
 combined voting power of our capital stock upon the completion of this offering, such
 14 holders (which include all of our existing stockholders, including those holders
 15 unaffiliated with any of our co-founders, executive officers, employees or directors)
 16 could control all matters submitted to our stockholders for approval. The holders of
 17 Class B common stock will no longer hold in the aggregate over 50% of the voting
 18 power of our outstanding capital stock once the Class B common stock represents in
 19 the aggregate less than approximately 4.76% of the outstanding capital stock of the
 20 company.

21 As a result, for the foreseeable future, holders of our Class B common stock could
 22 have significant influence over the management and affairs of our company and over
 23 the outcome of all matters submitted to our stockholders for approval, including the
 24 election of directors and significant corporate transactions, such as a merger,
 25 consolidation or sale of substantially all of our assets, even if their stock holdings were
 26 to represent in the aggregate less than 50% of the outstanding shares of our capital
 stock. In addition, this may prevent or discourage unsolicited acquisition proposals or
 27 offers for our capital stock that you may feel are in your best interest as one of our
 28 stockholders. These holders of our Class B common stock may have interests that
 differ from yours and may vote in a way with which you disagree and which may be
 adverse to your interests. This control may adversely affect the trading price of our
 Class A common stock. Despite no longer being employed by us, Paul Sciarra, one of
 our co-founders, remains able to exercise significant voting power. *If we terminate
 our other co-founders' employment, they would also continue to have the ability to
 exercise significant voting power to the extent they were to retain their Class B
 common stock* while our other existing holders disposed of their Class B common
 stock.

29 53. In the S-1 it is disclosed that there is an “Investor Rights Agreement” between, among
 30 others, Silbermann, Bessemer, Andreessen Horowitz, and Sciarra and that Board members Jeffrey
 31 Jordan and Jeremy S. Levine are affiliated with Andreessen Horowitz and Bessemer Venture Partners,
 32 respectively.

33 **C. Pinterest is Accused of Racial Discrimination by Former Employees**

1 54. In Pinterest's filing with the EEOC for 2018, the Company reported that 64 of its 1742
 2 employees, less than 4%, were black. In the leadership ranks of the Company, that number dropped
 3 to 1%. The few who were hired by the Company have recently gone public with claims of systematic
 4 discrimination against them at Pinterest.

5 55. On January 20, 2020, *USA Today* reported that Ben Horowitz, one of the co-founders
 6 of Andreessen Horowitz, the venture capital firm holding about 10% of Pinterest stock that designated
 7 Defendant Jordan to sit on Pinterest's Board, made controversial remarks at a Company-wide fireside
 8 chat conducted by the Human Resources chief Jo Dennis; the first in a series called "Progress"
 9 addressing the Company's priorities for 2020.

10 56. At the fireside chat, Ben Horowitz compared prison culture to corporate culture
 11 According to screenshots leaked to *USA Today*, Pinterest employees reacted with shock and horror
 12 as Horowitz used a violent incident in prison – a shanking – to illustrate the need for people to adapt
 13 to the culture in which they find themselves. "I'm extraordinarily uncomfortable with using slavery
 14 and prison culture as 'good examples' for drawing the lessons we need to draw," one employee wrote.

15 57. On June 15, 2020, two former employees who had until recently served in key public
 16 policy roles at Pinterest made public their claims of racial discrimination at the Company. Both of
 17 them had left the Company in May 2020.

18 58. One of these employees was Ifeoma Ozoma, Pinterest's public policy and social
 19 impact manager, despite being widely credited for leading its efforts to combat misinformation, in
 20 particular regarding vaccines. Ms. Ozoma is a Yale graduate who previously worked at Google and
 21 Facebook.

22 59. Ms. Ozoma disclosed in a Twitter post that, among other things, she was unfairly paid
 23 during her time at the Company. According to *The Washington Post*, Ozoma began raising concerns
 24 about mistreatment to the Company in January 2019.

25 60. Ms. Ozoma accused her manager of "racism, gaslighting and disrespect" and slammed
 26 the Company's response to online harassment at the hands of a colleague at Pinterest. In an interview
 27 with *The Washington Post*, Ms. Ozoma said that the ex-colleague sent her personal information,
 28

1 including her cellphone number, to a rightwing activist group that then “shared my personal
 2 information on just about every dark corner of the Internet.” Ozoma says the Company’s inadequate
 3 response to the online harassment forced her to hire Storyful, a social media intelligence agency, and
 4 enlist the help of former coworkers at Google and Facebook to monitor and protect her personal
 5 information.

6 61. Since she went public regarding her mistreatment at Pinterest, Ms. Ozoma said that
 7 she had been contacted by other black employees of Pinterest who shared similar experiences but
 8 were scared to say anything.

9 62. The other former employee who disclosed her experience with racial discrimination at
 10 Pinterest was Aerica Shimizu Banks, who served in federal government relations for the Company.
 11 Ms. Banks said on Twitter that she received “disparaging comments about my ethnicity in front of
 12 my team.”

13 63. Banks said her manager made “disparaging comments” about her ethnicity, which she
 14 reported to human resources. A report on the incident compiled by Pinterest Human Resources,
 15 shared with *The Washington Post*, confirms that Banks, who is half Japanese, reported that a
 16 supervisor “made comments to you about the origin of ramen noodles as a result of a bias towards
 17 you.” *The Washington Post* reported that the Company investigated and cited from internal Pinterest
 18 emails the conclusion that these comments “do not indicate bias on their own and are not a violation
 19 of our Code of Conduct.”

20 64. Banks described her tenure at Pinterest as “a period of glaringly unfair pay, intense
 21 discrimination, and terrifying retaliation.”

22 65. *The Washington Post* reported that Pinterest has a reputation of being more aggressive
 23 in addressing harmful content than other social networks. Contrary to that reputation, Ozoma told
 24 the paper that she was criticized for her recommendations to Pinterest for stamping out racist content.
 25 Among those recommendations, Ozoma noted that the Company stop promoting content
 26 romanticizing weddings at former slave plantations, a move that was widely praised in the media.
 27
 28

1 Yet, documents shared with The Technology 202 show that her supervisor criticized her for not
 2 providing more options to consider, other than an outright ban.

3 66. On June 18, 2020, *Bloomberg News* reported that Silbermann sent an email to
 4 employees in the wake of the revelations of racial discrimination. “I’m embarrassed to say that I
 5 didn’t understand the depth of the hardship and hurt many of our team members have experienced,”
 6 Silbermann wrote in the email, obtained by *Bloomberg News*. “I need to do better. My leaders need
 7 to do better. And Pinterest needs to be better.” He also outlined a list of steps the Company will take,
 8 including boosting diverse representation at senior levels and improving understanding and awareness
 9 of racism and bias.

10 67. On June 29, 2020, it was announced that a newly formed committee of the Board has
 11 hired the law firm WilmerHale to conduct a “comprehensive and independent review of our policies
 12 and practices concerning discrimination, harassment, and other workplace issues.”

13 **D. Pinterest is Sued for Sex Discrimination**

14 68. On August 11, 2020, Pinterest was sued by Francoise Brougher, the Company’s
 15 former Chief Operating Officer (“COO”) for gender discrimination, retaliation, and wrongful
 16 termination.

17 69. Ms. Brougher had developed a sterling reputation over 20 years serving as an
 18 executive in some of Silicon Valley’s most successful companies. She serves on the Board of
 19 Directors of Sodexo, a French multinational company operating in 70 countries.

20 70. Ms. Brougher joined Pinterest in March 2018 as the COO. After she joined Pinterest,
 21 revenue grew in the third and fourth quarters of 2018, paving the way in part for a successful IPO.
 22 Under her leadership, her team became more disciplined around sales process and customer
 23 segmentation. They made significant progress toward rebuilding the marketing team, diversifying
 24 advertisers, and building a stronger ecosystem by re-engaging partners. The communication team’s
 25 promotion of the Company resulted in more positive mentions in the press. She encouraged Pinterest
 26 to keep political advertising off Pinterest. Her team introduced new processes to increase velocity
 27 and clarity of goals.

1 71. In her complaint, Ms. Brougher avers that when she raised questions about Pinterest
 2 policies, Silbermann criticized her for not being collaborative and told her that she did not have
 3 consistently healthy cross-functional relationships. When Ms. Brougher asked him specifics, he
 4 could not provide them. Instead, he told her to keep quiet, saying she should “be mindful” of how
 5 she acted in group setting. He discouraged her from communicating directly, saying it was
 6 unacceptable for her to say, “we have basically not improved x.”

7 72. Silbermann’s comments were paradigmatic of gender discrimination. Women are
 8 encouraged to be assertive in the workplace, but assertiveness is a liability for women, even for
 9 executives. Whereas male executives are viewed as bold, thoughtful, and engaged leaders when they
 10 challenge and critique proposed strategy decisions, female executives are viewed as uncooperative.
 11 In Ms. Brougher, candor was detrimental, despite being a corporate core value.

12 73. About one year after being hired, Ms. Brougher discovered that the Company
 13 discriminated against her in the structure of her equity compensation.

14 74. Ms. Brougher averred that when she was hired, she was told that that the Board had
 15 directed that executives receive backloaded equity grants, *i.e.*, that the majority of the shares would
 16 vest in the last two years of the grant. Specifically, her equity grant provided that only ten percent of
 17 the shares vested the first year; twenty percent vested the second year; thirty percent vested the third
 18 year; and forty percent vested the fourth year.

19 75. As Pinterest approached its IPO, it offered Ms. Brougher an IPO retention grant that
 20 was even more backloaded. Starting in March 2019, Ms. Brougher was to receive stock over five
 21 years with the last two years making up most of the reward. She was scheduled to vest zero stock in
 22 the first year, five percent in the second year, five percent in the third year, forty-five percent in the
 23 fourth year, and forty-five percent in the fifth year. She subsequently learned that not all Pinterest
 24 executives were treated equally.

25 76. The Company’s S-1 filing with the SEC reflected the salaries of Pinterest’s highest-
 26 paid employees. Even though Ms. Brougher was the COO and managed a large, complex
 27 organization, she was not on that list. She also discovered that her male peers had been given more
 28

1 favorable vesting schedules. For the male executives on the list, their initial equity grants were not
 2 backloaded and their IPO retention grants were much less backloaded than Ms. Brougher's.

3 77. Compared to the initial grant to Morgenfeld, the Company's CFO, Ms. Brougher's
 4 was significantly backloaded. Morgenfeld received 812,500 shares in his first year, but Ms. Brougher
 5 only received 300,000 shares, a mere 37% of the equity paid by the Company to Morgenfeld.

6 78. Ms. Brougher raised her concerns about the disparate treatment in compensation
 7 policies with Silbermann, but he told her to take those concerns to the Human Resources ("HR")
 8 department of the Company. Ms. Brougher prepared a spreadsheet reflecting the disparate pay
 9 provided to her vs. her male peers and brought it to HR. According to Ms. Brougher's complaint,
 10 Silbermann then relented in part and authorized an adjustment to her equity package.

11 79. After the IPO, Ms. Brougher claims that she was no longer invited to Pinterest Board
 12 meetings even though sometimes members of her team, without her knowledge, were invited to
 13 attend. Her male colleagues also excluded her from Ads team meetings.

14 80. In Silbermann's mid-year performance review for Ms. Brougher, he acknowledged
 15 her accomplishments focused on her relationships, such as her focus on engagement, having an
 16 operationally focused team, attracting talent, and promoting the "Care with Candor" value. However,
 17 Silbermann omitted any mention of Ms. Brougher's success in revenue growth, which had risen from
 18 less than \$500 million to over \$1.1 billion during her tenure. Silbermann also critiqued Ms.
 19 Brougher's style and, without identifying substantive examples, encouraged her to be proactive and
 20 collaborative.

21 81. Ms. Brougher avers that around January 2020, Morgenfeld became increasingly
 22 disrespectful to her. He frequently ignored her and undermined her authority by talking directly to
 23 her team members, even on projects she was leading. In one meeting, Morgenfeld disparaged her in
 24 front of her peers by sarcastically asking, "What is your job anyway?" Most of Morgenfeld and Ms.
 25 Brougher's one-on-one meetings were taken off calendar.

26 82. Pinterest did nothing to stop Morgenfeld's discriminatory and harassing conduct, and
 27 instead it permitted his behavior to continue.

1 83. Often, Silbermann would hold off on making key strategy decisions until after the
 2 meetings Ms. Brougher attended. Later, he would meet with one or two male colleagues and together
 3 they would make the decision - without Ms. Brougher in the room. Her experience is common to
 4 women and minorities who often do not have informal handshake relationships with their male
 5 colleagues and are regularly excluded from the rooms where decisions are made.

6 84. For example, Silbermann chose not to invite Ms. Brougher on Pinterest's IPO
 7 roadshow despite the fact that she was managing approximately half of the Company as COO, was
 8 responsible for all of Pinterest's revenue, had prior roadshow experience, and knew many of the
 9 investors. Nevertheless, Mr. Silbermann told her to stay back at the Company and invited to the
 10 roadshow an executive with whom he was friendly, the Head of Global Communication, even though
 11 his role overlapped with the Head of Investor Relations, who also attended.

12 85. In February, Ms. Brougher received a peer review from Morgenfeld in which his only
 13 comment on her 2019 achievements was that: "Seems to be a champion for diversity issues" –
 14 ignoring numerous other successes for which she was responsible that year.

15 86. Ms. Brougher texted Silbermann that she was upset by Morgenfeld's feedback. His
 16 response to her concerns was to suggest that she approach the problem with "curiosity."

17 87. Ms. Brougher tried to address her concerns directly with Morgenfeld in a
 18 videoconference on February 21, 2020. On the call, she reiterated her goal of working collaboratively
 19 with him, explained that she wanted to better understand his peer feedback and asked him why his
 20 only comment about her achievements was that she was a "champion for diversity." Morgenfeld
 21 responded defensively, asserting that she was a champion of women's issues. Ms. Brougher asserts
 22 that she was taken aback by Morgenfeld's response and replied that being a female executive does
 23 not make her a champion of women's issues, nor is that the appropriate measure of her capabilities
 24 as COO. Morgenfeld became angry, raising his voice, and calling her a liar. He bragged about his
 25 "impeccable" record on diversity, questioned the value she brought to the Company then hung up.

26 88. On February 24, Chief Human Resources Officer Jo Dennis met with Ms. Brougher
 27 to discuss her call with Morgenfeld. Dennis agreed that it was inappropriate for Morgenfeld to have
 28

1 used "diversity" as the main criteria to evaluate Ms. Brougher's performance as COO. Ms. Brougher
 2 emphasized that she liked her job and wanted to find a way to work with Morgenfeld but explained
 3 that because of his behavior during their last conversation, she was uncomfortable meeting with him
 4 without someone else in the room until this was resolved.

5 89. Rather than attempt to mediate this dispute between Ms. Brougher and Mr.
 6 Morgenfeld, Dennis treated the matter as a potential legal issue for the Company and escalated it to
 7 the Company's in-house counsel.

8 90. The same day, Ms. Brougher met with Silbermann and the topic of Ms. Brougher's
 9 call with Morgenfeld came up. Again, Ms. Brougher explained to Silbermann that Morgenfeld's
 10 comments toward her were demeaning and offensive and that she felt tired of the abuse and was
 11 uncomfortable meeting with Mr. Morgenfeld without a witness present because of his hostility toward
 12 her. Silbermann responded that the situation was analogous to an old couple fighting over who would
 13 make coffee and made it clear that he did not want to get involved, rather he would let Dennis work
 14 it out.

15 91. In the midst of Ms. Brougher's efforts to address the discriminatory conduct, the
 16 COVID-19 crisis took the entire executive team's focus. As COO, Ms. Brougher rose to the occasion
 17 and did a tremendous job responding to the crisis.

18 92. On March 26, Dennis contacted Ms. Brougher and informed her that Morgenfeld's
 19 comment in her peer review was appropriate because he believed his statement to be true, *i.e.* that
 20 Ms. Brougher was seen as an advocate for diversity. Dennis did not propose any action to address
 21 the disagreement. Instead, she placed the burden on Ms. Brougher, saying, "Let me know if you'd
 22 like to discuss further, very happy to jump on a call with you, or with you and [Mr. Morgenfeld]."

23 93. A week later, Dennis reached out to Ms. Brougher to warn her that her role at Pinterest
 24 would be changing. Dennis tried to insulate Silbermann from any pushback by assuring Ms. Brougher
 25 that he "cared" about her. On April 2, 2020, Silbermann called her and terminated her employment.
 26 He asked her to transition her responsibilities to Morgenfeld over the next month.

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1 94. The explicit reason he gave for her termination was her “cross-functional”
 2 relationships. Silbermann asked Ms. Brougher to cover up the Company’s decision to terminate her
 3 employment by telling her team that she had decided to leave the Company. She declined to do so.
 4 Officially, her termination occurred on April 7, 2020. Silbermann concealed the Company’s actions
 5 by issuing a note to Pinterest’s employees thanking Ms. Brougher for her work.

6 95. Ms. Brougher alleges that her termination cost her tens of millions of dollars in lost
 7 earnings and equity compensation.

8 96. In an article entitled “The Pinterest Paradox: Cupcakes and Toxicity,” published on
 9 August 11, 2020 on Medium, an online publishing platform, Ms. Brougher further discussed the
 10 gender discrimination she faced at Pinterest: “Although 70 percent of Pinterest’s users are women,
 11 the company is steered by men with little input from female executives. Pinterest’s female executives,
 12 even at the highest levels, are marginalized, excluded, and silenced.”

13 97. Contrary to Pinterest’s purported reason for terminating her employment, *i.e.*, not
 14 being “collaborative,” Ms. Brougher wrote that she believed that she was fired for speaking out about
 15 the rampant discrimination, hostile work environment, and misogyny permeating Pinterest. “What
 16 happened to me at Pinterest reflects a pattern of discrimination and exclusion that many female
 17 executives experience, not only in the tech industry but throughout corporate America,” she wrote.
 18 “[I]f someone of my privilege and seniority is fired for speaking out about these issues, the situation
 19 is likely far worse for people earlier in their careers.”

20 98. On August 14, 2020, *The New York Times* published an opinion piece by Kara Swisher
 21 entitled “Hitting the Glass Ceiling, Suddenly at Pinterest.” The article discusses the gender
 22 discrimination faced by Ms. Brougher and others at Pinterest. Defendant Silbermann was interviewed
 23 for the article. When Ms. Swisher pointed out that Pinterest’s web page listing its management had
 24 exactly three men on it and no one else – unusual even for tech companies – Mr. Silbermann
 25 responded, “I had no idea.” (When Ms. Swisher checked the web page after speaking with Mr.
 26 Silbermann, that page had disappeared. Pinterest confirmed to Ms. Swisher that it was replaced by a
 27 page with additional executives on it, who were notably more diverse.)

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1 99. The article reported that Mr. Silbermann apparently didn't have any idea either about
 2 the depth of the culture issues at Pinterest, which both alumni and current employees describe as
 3 cliquish and secretive — a critique leveled even by a person whom Pinterest itself introduced Ms.
 4 Swisher to as a supporter. Most said that management gave favorable treatment to men over women
 5 and treated people of color even worse. "It's a nepotism that favors those who cozy up and say yes
 6 to power, which are the same small group of men," a former female executive said.

7 100. The Individual Defendants allowed a culture where alleged victims were silenced, and
 8 the victimizers awarded, even as the Company itself purported to be investigating their misconduct.
 9 The Board's abject failure to exercise independent oversight permitted rampant and obvious sexual
 10 harassment, discrimination, and retaliation that went unabated for years. It was only after *The New*
 11 *York Times* revealed the Board's misconduct that the Company was forced to address the rampant
 12 problem of sexual improprieties at Pinterest.

13 **E. The Individual Defendants Cause Pinterest To File With The SEC A False And**
 14 **Misleading Proxy Statement**

15 101. On April 9, 2020, the Individual Defendants caused Pinterest to file with the SEC the
 16 Company's Proxy Statement soliciting stockholders to, among other things: (1) elect directors
 17 Jordan, Levine and Rajaram to new terms on the Board of Directors; and (2) approve, on an advisory
 18 basis, the frequency of future advisory votes to approve our named executive officers' compensation.
 19 The Proxy Statement contained several materially misleading statements and omitted material
 20 information that should have been disclosed to stockholders in connection with the solicitation of
 21 their votes.

22 102. Egregiously, the Individual Defendants represented in the Proxy Statement that
 23 "Françoise Brougher left the Company effective April 7, 2020 and Todd Morgenfeld, our Chief
 24 Financial Officer, assumed her responsibilities." Ms. Brougher avers in her lawsuit that she didn't
 25 leave the Company but was terminated. Moreover, Ms. Brougher avers that her termination was a
 26 culmination of a pattern of gender discrimination spanning the entire period that Pinterest was a public
 27 company. The stockholders were thus kept in the dark about the circumstances regarding the
 28 termination one of the Company's five highest executive officers (described in the Proxy Statement

1 as the “named Executive Officers” or “NEOs”) and the substantial liability incurred by the Company
 2 thereby.

3 103. The Individual Defendants further represented in the Proxy Statement, with regard to
 4 compensation policies, that:

- 5 • “[T]he majority of our NEOs’ target total direct compensation is linked to the
 6 value of our stock, which will reflect how we create value over the long term.
 7 In addition, executives are eligible to receive periodic grants following the
 8 annual review cycle. When determining the amount of such awards, the
 9 compensation committee considers the company’s performance as measured
 10 against financial, operational and strategic objectives as well as each named
 11 executive officer’s individual contribution to that performance;”
- 12 • The Compensation Committee considers “each of our named executive
 13 officer’s roles and responsibilities, qualifications, knowledge, skills,
 14 experience, and tenure, including on a relative basis to other similarly situated
 15 executives at the companies in our compensation peer group” and “the
 16 performance of each of our named executive officers, based on a qualitative
 17 assessment of his or her contributions to our overall performance, ability to
 18 lead his or her business unit or function, ability to collaborate across the
 19 company and potential to contribute to our long-term financial, operational and
 20 strategic objectives;”

21 104. With regard to Ms. Brougher’s compensation, the Individual Defendants represented
 22 in the Proxy Statement: “Françoise Brougher received an RSU award with a grant date fair value of
 23 \$21.4 million which vests quarterly over five years as described under the ‘2019 Grants of Plan-Based
 24 Awards Table’ below. This award was granted by the board in 2019 after considering her past
 25 performance, expected future contributions and the criticality of her role to Pinterest, and expected
 26 contributions, as well as the total unrealized value of her outstanding equity awards and their vesting
 27 terms relative to our compensation peer group data and other Pinterest executives.”

28 105. The cited statements in the Proxy Statement were materially misleading and omitted
 29 material information. Pinterest’s compensation structure was rife with gender disparity that was not
 30 disclosed in the Proxy Statement and which rendered the statements made false and misleading.
 31 Indeed, the Proxy Statement omitted that compensation awarded to Ms. Brougher was substantially
 32 less than that of her male colleagues, and vested at less favorably terms than her male colleagues, and,
 33 in fact, did not reflect her individual contribution to the Company’s performance and the “criticality
 34 of her role to Pinterest.”

1 **F. Employees Walkout To Demand Change At Pinterest**

2 106. On August 14, 2020, *Techcrunch.com* reported that Pinterest employees were staging
 3 a walkout to protest racial and gender discrimination at the Company. Organizers of the walkout
 4 encouraged employees to post the following message in the #qanda and #pinployees-global channels
 5 on *Slack*: “I am [upset/angry/shocked/unhappy/whatever you’re feeling] about the racial and gender
 6 discrimination that has happened at Pinterest, and am leaving work early today. Join me.
 7 changeatpinterest.com.”

8 107. In addition to the walkout, a petition circulated throughout the Company demanding
 9 systemic change, including full transparency about promotion levels and retention, total
 10 compensation package transparency and for the people within two layers of reporting to the CEO to
 11 be at least 25% women and 8% underrepresented employees.

12 108. “These are not isolated cases,” workers wrote in the petition. “Instead, they are
 13 representative of an organizational culture that hurts all Pinterest workers, and keeps us from
 14 achieving our mission of bringing everyone the inspiration to create a life they love. We recognize
 15 that Pinterest has been a leader in diversity and inclusive hiring, with the diversity goals for new hires.
 16 It’s become clear that this is not enough, and that the diversity goals need to apply from the top down,
 17 not just the bottom up. Not only will diverse and inclusive leadership prevent discrimination and
 18 harassment among workers, it will help us build a product that is relevant on a global scale.”

19 **G. More Pinterest Employees Come Forward With Gender And Racial Discrimination
 20 Claims**

21 109. On September 11, 2020, *The Verge*, a technology news site, reported on the
 22 discrimination faced by McKenna Rogers, a Pinterest employee in the finance department. *The Verge*
 23 reported that “[t]he issues with the finance team go beyond what Brougher laid out in her lawsuit.
 24 Interviews with four former employees suggest a pattern of unequal treatment for women and people
 25 of color in the department, including inappropriate comments from managers and unequal pay and
 26 leveling.”

27 110. *The Verge* reported that the issues for Ms. Rogers began shortly after she started her
 28 job, when her boss showed a keen interest in her personal life. Ms. Rogers was separated from her

1 husband and said that her boss often asked about who she was dating and offered to give her rides
 2 home. She finally relented and let him drive her to the train station. On the ride, he told her all about
 3 his divorce. When she said she'd met her boyfriend through a previous job, she says he expressed
 4 excitement that she dated at work. The interaction made her deeply uncomfortable.

5 111. Ms. Rogers told *The Verge* that her boss did not set clear goals and often insinuated
 6 that she wasn't meeting his expectations. He'd leave the office for days at a time, then return and
 7 micromanage her work. He often routed her projects through another member of the team, though
 8 this person was not Rogers' manager.

9 112. When Pinterest sent out a Pulse survey and followed up with employees about the
 10 results, Ms. Rogers, assuming the information would be kept private, relayed her thoughts on how
 11 her manager could improve. Later, her manager pulled her aside and berated her. "Going to my boss
 12 with your feedback is disappointing because it makes me look bad," Ms. McKenna recalled him
 13 saying. This interaction was repeated in emails Rogers sent to the HR team in 2019, which *The Verge*
 14 reported it has reviewed.

15 113. *The Verge* reported that Ms. Rogers' relationship with her boss then deteriorated. He
 16 canceled their one-on-one meetings and in her midyear performance review in 2019, Ms. Rogers'
 17 boss said he wanted her to "foster more team health by expressing gratitude when someone is
 18 mentoring or helping her."

19 114. Ms. Rogers further told *The Verge* that during a team happy hour, her boss told a joke
 20 about a dog "licking his balls under the table at work." At this point, she decided to go to HR. In a
 21 detailed email sent on August 1, 2019, Ms. Rogers wrote that her boss had made an inappropriate
 22 joke at a happy hour and that he no longer responded to her *Slack* messages. She noted she was being
 23 passed over for assignments.

24 115. On August 8th, 2019, Ms. Rogers sent a follow-up email to the HR team saying that
 25 she and her boss had met and that it hadn't gone well. Ms. Rogers informed HR that she would be
 26 working from home for the day because she no longer felt comfortable in the office.

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1 116. Ultimately, the HR team decided not to further investigate Ms. Rogers' claims,
 2 according to emails between her and the HR team which *The Verge* reports that it has reviewed.
 3 Instead, Ms. Rogers and the HR team agreed she and her boss would have mediated meetings. The
 4 HR team also sent her resources for requesting a leave of absence.

5 117. Ms. Rogers met with her manager in a mediated meeting in 2019, as suggested by HR.
 6 She thought that with an HR team member present, she would be able to give her boss feedback and
 7 hear how she might improve. Instead, she says her boss lost his temper during the meeting. In a
 8 follow-up email with the HR team, Ms. Rogers says, "I understand this was a highly emotional
 9 conversation, but is this something you could follow up with him about? Lately in our 1:1s it tends
 10 to head this direction and I'd like to figure out how to diffuse it."

11 118. *The Verge* reported that Ms. Rogers decided to quit after her therapist told her she was
 12 suffering from PTSD and severe depression. In her resignation email to her boss and the HR team,
 13 she said: "My reason for leaving at this point in time is due to your poor treatment of me over the past
 14 6-8 months...I've developed PTSD due to this and it is time for me to leave Pinterest." Her boss
 15 never responded to her email. The person who did was an HR coordinator who sent a perfunctory
 16 note about doing an exit interview and forgot to even fill her name into the blank on the form letter,
 17 instead writing: "Hi McKenna, my name is [Name]."

18 119. Ms. Rogers says she would not have come forward if Ifeoma Ozoma and Aerica
 19 Shimizu Banks hadn't spoken up first.

20 120. According to *The Verge*, Ms. Rogers is not alone. Another woman who worked on
 21 the payroll team says she, too, came into her job thinking Pinterest was going to be a positive and
 22 supportive place to work. She quickly came to believe, however, that the expectations of her were
 23 different than that of men on the team. She helped oversee payroll for multiple countries, regularly
 24 working nights and weekends, but her boss insinuated this wasn't enough. If a man on the team forgot
 25 to release payroll, she says her boss would blame her for not reminding them.

26 121. Eventually, the pressure became too much, and she quit. "I felt like a failure. I gave
 27 up my equity, I gave up this great role. I felt like I was being pushed out of my job," she told *The*
 28

1 *Verge*. She got severance when she left that was contingent on her not disparaging the Company,
 2 which is why she is not named the article.

3 122. Employees told *The Verge* that senior men at Pinterest tended to get favorable
 4 treatment. According to another woman on the finance team, who asked not to be named for fear of
 5 professional retaliation, some got outsized equity grants compared to their female colleagues.

6 123. *The Verge* also reported on systematic racial discrimination at Pinterest. Months
 7 earlier, a man who worked on the finance team looked at the payroll data and realized that black
 8 people at the Company were being underpaid compared to their white colleagues. He asked not to be
 9 named in the article for fear of legal retaliation. When he brought the data reflecting pay disparities
 10 to the HR team, he assumed they would be grateful. However, instead of asking him about the data,
 11 he says they questioned him about why he'd pulled the information and who had put him on the
 12 project.

13 **H. The Individual Defendants Were Aware Of Racial And Gender Discrimination At
 14 Pinterest But Failed To Take Timely Action**

15 **REDACTED**

16 124. Though Pinterest had begun to publicly offer shares in April 2019,
 17 **REDACTED**

18 PINS-
 19 220_0000405.

20 125. On August 15, 2019, **REDACTED**

21 **REDACTED**

22 **REDACTED** PINS-220_0000406.

23 126. On November 21, 2019, **REDACTED**

24 **REDACTED**

25 127. In the first and second quarters of 2020, **REDACTED**

26 **REDACTED**

27 **REDACTED** PINS-220_0000371, PINS-220_0000378.

128. On June 28, 2020, REDACTED

129. REDACTED

130. REDACTED

PINS-220 0000548.

131. At the June 28, 2020, REDACTED

132. REDACTED

133. REDACTED

PINS-220 0000548-49.

134. REDACTED

135. REDACTED

136. REDACTED

PINS-220 0000549.

137. By the third quarter of 2020, REDACTED

138. REDACTED

PINS-

139. 220_0000396. The Audit Committee was informed that REDACTED

140. REDACTED

Id.

141. REDACTED

142. Audit Committee was advised that REDACTED

143. REDACTED

PINS-220_0000397.

144. On August 15, 2020, REDACTED

145. REDACTED

146. REDACTED

147. REDACTED

PINS-220_0000397.

148. PINS-220_0000402. The requirement that such issues

149. **VI. CONSPIRACY, AIDING AND ABETTING, AND CONCERTED ACTION**

150. In committing the wrongful acts alleged herein, the Individual Defendants have
151. pursued, or joined in the pursuit of, a common course of conduct. They have acted in concert with
152. REDACTED

1 and conspired with one another in furtherance of their common plan or design. In addition to pursuing
2 the wrongful conduct that gives rise to their primary liability, the Individual Defendants also aided
3 and abetted, and/or assisted, each other in breaching their respective duties.

4 133. The Individual Defendants initiated a course of conduct that was designed to and did
5 conceal and condone that Pinterest was in violation of its own internal rules, as well laws regarding
6 discrimination and harassment.

7 134. The purpose and effect of the Individual Defendants' conspiracy, common enterprise,
8 and/or common course of conduct was, among other things, to disguise the Individual Defendants'
9 violations of law and Pinterest's Code of Conduct, including breaches of fiduciary duty.

10 135. The Individual Defendants accomplished their conspiracy, common enterprise, and/or
11 common course of conduct by purposefully or recklessly failing to comply with relevant laws, rules
12 and regulations and the Company's own Code of Conduct. Because the actions described herein
13 occurred under the Board's supervision and authority, each of the Individual Defendants played a
14 direct, necessary, and substantial part in the conspiracy, common enterprise, and/or common course
15 of conduct complained of herein.

16 136. Each of the Individual Defendants aided and abetted and rendered substantial
17 assistance in the wrongs complained of herein.

18 **VII. DERIVATIVE ALLEGATIONS**

19 137. Plaintiff brings this action derivatively in the right and for the benefit of Pinterest to
20 redress the breaches of fiduciary duties and other violations of law, as well as the Company's Code
21 of Conduct, by the Individual Defendants as alleged herein. Plaintiff is a current stockholder of the
22 Company and was a stockholder during the events complained of. Plaintiff will continue to hold
23 Pinterest shares through the duration of this action.

24 138. Plaintiff will adequately and fairly represent the interests of Pinterest and its
25 stockholders in enforcing and prosecuting the Company's rights, and Plaintiff has retained counsel
26 experienced in prosecuting this type of derivative action.

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1 **VIII. DEMAND FUTILITY ALLEGATIONS**

2 139. Plaintiff has not made a demand on Pinterest’s Board to investigate and prosecute the
 3 wrongdoing alleged herein. Such a demand would be a futile and wasteful act for the reasons set
 4 forth below. Under such circumstances, demand is excused.

5 140. As the Company itself admits in the 2020 Proxy, two of its Directors are not
 6 independent as defined by the New York Stock Exchange, *i.e.*, Defendants Silbermann, and Sharp.

7 141. At all relevant times, Defendant Silbermann was the Company’s CEO, and therefore
 8 was not independent. As an employee, Silbermann derives substantially all of his income from his
 9 employment with Pinterest, thus he could not disinterestedly consider a demand for action that might
 10 require him to sue the directors and/or fellow members of management with whom he works on a
 11 day-to-day basis. Moreover, Silbermann’s own conduct is implicated in Ms. Brougher’s lawsuit and
 12 Silbermann cannot act with the requisite disinterest and independence in considering his own conduct,
 13 as well as that of his close allies at the Company.

14 142. At all relevant times, Defendant Sharp was the Company’s Chief Design and Creative
 15 Officer, and therefore was not independent. As an employee, Sharp derives substantially all of his
 16 income from his employment with Pinterest, thus could not disinterestedly consider a demand for
 17 action that might require him to sue the directors and/or fellow members of management with whom
 18 he works on a day-to-day basis.

19 143. Defendants Silbermann and Sharp are Co-Founders of Pinterest. Silbermann owns
 20 over 27% of Pinterest’s Class B shares and has over 24% of the Company’s voting power. Defendant
 21 Sharp owns over 5% of Pinterest’s Class B shares and has over 4% of the Company’s voting power.
 22 As such, Silbermann and Sharp have significant influence over the management and affairs of the
 23 Company, as well as all matters requiring stockholder approval, including the election of directors
 24 and significant corporate transactions for the foreseeable future. The Company even acknowledges
 25 in that same filing that the concentration of voting power in the hands of the Company’s Co-Founders
 26 “limit[s] or preclude[s] [stockholders’] ability to influence corporate matters.”

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1 144. Defendants Jordan and Levine are closely allied with the Co-Founders, having worked
2 with them for many years. Jordan and Levine are representatives of Andreessen Horowitz and
3 Bessemer, respectively, which own about 10% and 13% of the Company's Class B shares and, as
4 such have significant influence over the management and affairs of the Company, as well as all
5 matters requiring stockholder approval, including the election of directors and significant corporate
6 transactions for the foreseeable future. Indeed, Defendant Jordan published an article on Andreessen
7 Horowitz's website acknowledging that "Pinterest was one of my first investments when I moved
8 into venture capital, and its IPO is officially my first in my 8-year tenure as an investor."

9 145. Moreover, Defendant Jordan is neither disinterested nor independent since Andreessen
10 Horowitz's conduct is at issue. On January 20, 2020, *USA Today* reported that Ben Horowitz, one of
11 the co-founders of Andreessen Horowitz, made controversial remarks at Pinterest during a
12 companywide fireside chat conducted by the Human Resources chief Jo Dennis and was the first in a
13 series called "Progress," which was supposed to be a gathering during which Company leaders
14 address the 2020 priorities of the Company. Ben Horowitz compared prison culture to corporate
15 culture. According to screenshots leaked to *USA Today*, Pinterest employees reacted with shock and
16 horror as Horowitz used a violent incident in prison – a shanking – to illustrate the need for people to
17 adapt to the culture in which they find themselves. "I'm extraordinarily uncomfortable with using
18 slavery and prison culture as 'good examples' for drawing the lessons we need to draw," one
19 employee wrote. Defendant Jordan cannot fairly and impartially consider a demand under such
20 circumstances.

21 146. The remaining Individual Defendants are and have been wholly under the domination
22 of Defendant Silbermann, Sharp, Levine and Jordan, preventing them from taking remedial action.
23 These Defendants have the power to terminate any director. Indeed, it is admitted in the 2020 Proxy
24 Statement that the Co-Founders could continue to exercise significant voting power even if terminated
25 so long as they maintain their Class B common stock holdings. A demand is therefore futile and
26 excused.

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1 147. As each of the Individual Defendants faces a substantial likelihood of liability for the
2 misconduct alleged herein, there is a reasonable doubt as to their disinterestedness in deciding whether
3 pursuing legal action would be in the Company's best interest.

4 148. The Board was put on notice of legal and ethical violations at Pinterest, and breaches
5 of its Code of Conduct, as well as other misconduct, but failed to take action against those responsible.
6 Timely action could have prevented, or at least minimized, the damage caused to Pinterest by such
7 misconduct.

15 program REDACTED
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18 220_0000416. It was their decision as Audit Committee members not to take timely action to put the
19 Company in compliance with relevant laws and rules and/or to disregard the failure to comply
20 therewith. Timely action by the Individual Defendants serving on the Audit Committee would have
21 prevented, or at least minimized, the damages caused to Pinterest and its shareholders by the
22 wrongdoing discussed herein.

23 150. The Compensation Committee Defendants (Chairperson Wilson and Kilgore) are
24 disabled from objectively considering pre-suit demand to bring these claims because, as members of
25 the Compensation Committee during the relevant period, they face a substantial likelihood of liability
26 for wrongdoing. The Compensation Committee of the Board had oversight responsibilities for the
27 Company's internal control policies and procedures, was required to ensure that the Company was

1 operating in accordance with its prescribed policies, procedures and codes of conduct, and was
 2 charged with overseeing the Company's compliance with laws and regulations. It was their decision
 3 as Compensation Committee members not to take action to put the Company in compliance with
 4 these laws and rules and/or to disregard the failure to comply therewith. Timely action by the
 5 Individual Defendants serving on the Compensation Committee would have prevented, or at least
 6 minimized, the damages caused to Pinterest and its shareholders by the wrongdoing discussed herein.

7 151. Pinterest has been and will continue to be exposed to significant losses due to the
 8 wrongdoing complained of herein, yet the Individual Defendants have not caused the Company to
 9 take action to recover for the Company the damages it has suffered and will suffer thereby.

10 152. The Individual Defendants knew of the racial and gender discrimination taking place
 11 at Pinterest. These violations were open and notorious and were either known to, or recklessly
 12 disregarded, by the Individual Defendants. The Individual Defendants, however, took no action to
 13 stop or to prevent the substantial damage caused to the Company and its shareholders by those
 14 violations. The Individual Defendants were required to investigate and take action to prevent damage
 15 to Pinterest and its stockholders but failed to take timely action. Thus, it is clear that the Individual
 16 Defendants would have refused to institute this action.

17 153. The acts complained of herein are illegal and improper and constitute breaches of
 18 fiduciary duties by the Individual Defendants and are, thus, incapable of ratification.

19 154. Publicly traded companies, such as Pinterest, typically carry Director & Officer
 20 liability insurance from which the Company could potentially recover some or all of its losses.
 21 However, such insurance typically contains an "insured vs. insured" disclaimer that would foreclose
 22 a recovery from the insurers in the event that Pinterest sues to recover its damages from the Board.

23 155. The Individual Defendants were aware of, but failed to investigate, red flags of illegal,
 24 unethical or improper conduct and failed to take timely action to prevent, or at least minimize, the
 25 damages caused.

26 156. The Individual Defendants herein, received, and continue to receive, substantial
 27 salaries, bonuses, payments, benefits, and other emoluments by virtue of their membership on the
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1 Board and their control of Pinterest. They have thus benefited from the wrongs herein alleged and
 2 have engaged therein to preserve their positions of control and the perquisites thereof and are
 3 incapable of exercising independent objective judgment in deciding whether to bring this action. The
 4 Individual Defendants also have close personal or business ties with each other and are, consequently,
 5 interested parties and cannot in good faith exercise independent business judgment to determine
 6 whether to bring this action against themselves.

7 157. The Individual Defendants' disregard of illegal and improper conduct, as embodied
 8 by their systematic failure to implement and maintain adequate internal controls sufficient to monitor
 9 and prevent the officers, directors, employees, and agents of the Company from violating or acting in
 10 contravention to applicable laws, rules and regulations, and the Company's Code of Conduct,
 11 constitutes breaches of their duties of good faith and loyalty such that they face a substantial
 12 likelihood of liability for their actions/inactions.

13 **IX. CLAIMS FOR RELIEF**

14 **COUNT I**
 15 **VIOLATIONS OF SECTION 14(A) OF THE EXCHANGE ACT AND RULE 14A-9**
 16 **(AGAINST THE INDIVIDUAL DEFENDANTS)**

17 158. Plaintiff incorporates by reference and re-alleges each and every allegation set forth
 18 above, as though fully set forth herein.

19 159. The Section 14(a) Exchange Act claims alleged herein are based solely on negligence.
 20 They are not based on any allegation of reckless or knowing conduct by or on behalf of the Individual
 21 Defendants. The Section 14(a) claims alleged herein do not allege and do not sound in fraud. Plaintiff
 22 specifically disclaims any allegations of reliance upon any allegation of, or reference to any allegation
 23 of fraud, scienter, or recklessness with regard to those non-fraud claims.

24 160. Section 14(a) of the Exchange Act provides that “[i]t shall be unlawful for any person,
 25 by use of the mails or instrumentality of interstate commerce or of any facility of a national securities
 26 exchange or otherwise, in contravention of such rules and regulations at the [SEC] may prescribe as
 27 necessary or appropriate in the public interest or for the protection of investors, to solicit or to permit

1 the use of his name to solicit any proxy or consent or authorization in respect of any security (other
2 than an exempted security) registered pursuant to section 12 of this title [15 U.S.C. § 78l].”

3 161. Rule 14a-9, promulgated pursuant to § 14(a) of the Exchange Act, provides that no
4 proxy statement shall contain “any statement which, at the time and in the light of the circumstances
5 under which it is made, is false or misleading with respect to any material fact, or which omits to state
6 any material fact necessary in order to make the statements therein not false or misleading.” 17 C.F.R.
7 §240.14a-9.

8 162. The Individual Defendants caused the Company to issue a Proxy Statement filed with
9 the SEC and disseminated to stockholders to solicit their votes that contained false and misleading
10 statements and omitted material information concerning, among other things, the Company's
11 compensation practices, the termination of Ms. Brougher, and the failure to maintain adequate
12 controls and oversight to prevent such wrongful conduct.

13 163. The misrepresentations and omissions were material to the Company's shareholders
14 in voting on matters set forth for shareholder determination in the Proxy Statement, including the
15 election of directors, and advisory approval of executive compensation.

16 164. The Company was damaged as a result of the Individual Defendants' material
17 misrepresentations and omissions in the Proxy Statements.

165. Plaintiff on behalf of Pinterest has no adequate remedy at law.

COUNT II
BREACH OF FIDUCIARY DUTY
(AGAINST DEFENDANTS SILBERMANN AND SHARP
AS CONTROLLING STOCKHOLDERS)

22 166. Plaintiff incorporates by reference and realleges each and every allegation contained
23 above, as though fully set forth herein.

24 167. As controlling stockholders of Pinterest, Defendants Silbermann and Sharp owed and
25 owe Pinterest fiduciary obligations. By reason of their fiduciary relationships, Silbermann and Sharp
26 owed and owe Pinterest the highest obligation of good faith, fair dealing, loyalty, and due care.

1 168. Defendants Silbermann and Sharp violated and breached their fiduciary duties of
2 candor, good faith, loyalty, and due care by abusing their control over the Company by, among other
3 things, participating in, or failing to prevent, the unlawful acts complained of herein.

4 169. Defendants Silbermann and Sharp owed Pinterest the highest duty of care and loyalty.
5 These Defendants breached their duty of care and loyalty by causing or recklessly permitting a culture
6 of racial and gender discrimination to persist and fester. Accordingly, Silbermann and Sharp breached
7 their duties of good faith, due care and loyalty to the Company as controlling stockholders.

COUNT III
BREACH OF FIDUCIARY DUTY
(AGAINST THE INDIVIDUAL DEFENDANTS)

10 170. Plaintiff incorporates by reference and reallege each and every allegation set forth
11 above, as though fully set forth herein.

12 171. The Individual Defendants owed and owe fiduciary duties to Pinterest and its
13 stockholders. By reason of their fiduciary relationships, the Individual Defendants specifically owed
14 and owe Pinterest and its shareholders the highest obligation of good faith, due care and loyalty in
15 the administration of the affairs of the Company, including, without limitation, the oversight of
16 Pinterest's compliance with, and the duty to conduct a good faith investigation into, violations of
17 laws, regulations, and internal policies concerning racial and sexual harassment and discrimination,
18 and to take timely action against those responsible for such violations.

19 172. The Individual Defendants consciously breached their fiduciary duties and violated
20 their corporate responsibilities in at least the following ways: (i) willfully abdicating their roles as
21 fiduciaries by permitting or condoning a hostile work environment, which included racial and sexual
22 discrimination, and retaliation; and (ii) hiding the extent and nature of such misconduct from the
23 Company's stockholders.

173. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary duties, Pinterest has sustained, and will continue to sustain, significant damages – both financially and to its corporate image and goodwill.

174. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company for the damages resulting directly and proximately from these breaches of fiduciary duty.

COUNT IV
WASTE OF CORPORATE ASSETS
(AGAINST THE INDIVIDUAL DEFENDANTS)

175. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

176. The Individual Defendants knowingly, intentionally, recklessly or negligently breached their fiduciary duties and, thereby, caused Pinterest to waste its assets, expend millions of dollars of corporate funds, and impair its reputation and credibility for no legitimate business purpose, as a result of which the Company has been and continues to be substantially damaged.

177. The Individual Defendants have bestowed upon themselves grossly excessive compensation that has no reasonable or legitimate basis, which has caused substantial damage to the Company and its shareholders.

178. As a direct and proximate result of these breaches of their fiduciary obligations, Pinterest has sustained and will continue to sustain significant damages, as alleged herein. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

179. Plaintiff, on behalf of Pinterest, have no adequate remedy at law.

X PRAYER FOR BELIEF

WHEREFORE Plaintiff demands judgment as follows:

- a. Determining that this action is a proper derivative action maintainable under the law and that demand was excused;
- b. Finding that the Individual Defendants breached their fiduciary duties;
- c. Finding that Defendants Silbermann and Sharp breached their fiduciary duties as controlling stockholders;
- d. Finding that the Individual Defendants violated Section 14(a) of the Exchange Act by filing a materially false and misleading Proxy Statement;
- e. Finding that all Individual Defendants were unjustly enriched;

f. Finding that the Individual Defendants are liable to the Company for damages incurred as a result of the Individual Defendants' breaches of fiduciary duty;

g. Awarding extraordinary equitable and injunctive relief as permitted by law and/or equity against all Individual Defendants and in favor of the Company;

h. Directing the Company to take all necessary actions to reform and improve its internal controls and Board oversight concerning racial and gender discrimination, as well as pay disparity;

i. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorney's, consultant's and expert's fees; and

j. Granting such other and further relief as the Court deems just and proper.

XI. JURY DEMAND

Plaintiff hereby demands a trial by jury.

Dated: November 25, 2020

WEISSLAW LLP

/s/ Joel E. Elkins

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